

01 March 2023

Incentive Bulletin

US - Construction

M048-23U



JOHN DEERE
FINANCIAL

JDF Low Rate Installment and Lease Options - REVISED

Note: Updated Rates and Program Protection Admin Note

Objective: John Deere Financial is pleased to offer the following installment and lease options designed to promote the sale of new units.

Effective Date: 01 March 2023

Expiration Date: 31 March 2023

Eligible Equipment: All John Deere Construction and Forestry Equipment that has not been retail sold and is no more than 36 months old from invoice date. Production Class Equipment must be new, never retailed, and less than 48 months old from invoice date at time of settlement. John Deere attachments sold with or without a base unit are also eligible. Philippi Hagenbuch ejector bins sold with an ADT unit are eligible for the low rate incentives. engcon tiltrotators, couplers or attachments with a John Deere base code, sold with or separately from an excavator qualify for low rate finance incentives. DORF units are NOT eligible.

Bulletin Detail:

Effective 01Nov2019, all Construction & Forestry Division Sales Incentives

- Primary Offers: core incentive offerings, primarily customer-focused. The Primary Offer determines what other incentives are allowed. Primary offers are "pick 1", therefore no primary offer can be stacked with any other primary offer.
- Secondary Offers: incentive offerings that are available in addition to the Primary Offer that's claimed. Secondary Offers are "pick all eligible"; stackability of Secondary Offers is determined by the Primary Offer that is selected.

Program Stackability: JDF Low Rate Program is a secondary offer and can be stacked with the following primary offers: MUD/FMUD, SIG.

Dealers may buy down from all published rates below.

Current Month Installment Rates:

Dealer Participation*	Installment Term					
	12	24	36	48	60	72
0.00%	6.15%	6.35%	6.40%	6.45%	6.50%	6.60%
1.50%	2.90%	4.55%	5.20%	5.55%	5.75%	5.99%
2.50%	0.99%	3.55%	4.50%	4.99%	5.30%	5.65%

3.50%	0.00%	2.55%	3.80%	4.45%	4.85%	5.25%
5.00%		0.99%	2.75%	3.65%	4.20%	4.70%

*Based on Amount Financed

Program Protected Installment Rates - Retail Sold & Qualifying Rental Purchase Option Units Only:

- Rates include a 100 bp additive for rate protection
- Customers will be eligible for the protected rate below OR the dealer can select the current month's rate at the time the contract is signed.
- Rates below represent the maximum rate to a customer with program protection

Installment Term						
Dealer Participation*	12	24	36	48	60	72
0.00%	7.15%	7.35%	7.40%	7.45%	7.50%	7.60%
1.50%	3.90%	5.55%	6.20%	6.55%	6.75%	6.99%
2.50%	1.99%	4.55%	5.50%	5.99%	6.30%	6.65%
3.50%	0.99%	3.55%	4.80%	5.45%	5.85%	6.25%
5.00%		1.99%	3.75%	4.65%	5.20%	5.70%

*Based on Amount Financed

Current Month Lease Charges:

Lease Term				
Dealer Participation*	24	36	48	60
0.00%	8.35%	8.45%	8.55%	8.65%
2.00%	6.90%	7.40%	7.65%	7.75%
3.00%	6.10%	6.85%	7.25%	7.40%

*Based on Amount Financed

Program Protected Lease Charges - Retail Sold & Qualifying Rental Purchase Option Units Only:

- Rates include a 100 bp additive for rate protection
- Customers will be eligible for the protected rate below OR the dealer can select the current month's rate at the time the contract is signed.
- Rates below represent the maximum rate to a customer with program protection

Lease Term				
Dealer Participation*	24	36	48	60
0.00%	9.35%	9.45%	9.55%	9.65%
2.00%	7.90%	8.40%	8.65%	8.75%
3.00%	7.10%	7.85%	8.25%	8.40%

*Based on Amount Financed

Additional Installment Financing Options:

Seasonal Skip Payments:

After making 3 payments customers can skip up to 3 payments per year. Customer can choose the months to meet their cash flow cycles. If the customer wants to make a payment in the skip payment month they can pay ahead and skip a payment later.

Example: 48 month term. Payments amortize to pay off within the stated term.

Payments made each year: Jul, Aug, Sept, Oct, Nov, Mar, Apr, May, Jun

Payments skipped each year: Dec, Jan, Feb

Administrative Notes:

1. **Installment:** The 72 month term excludes Forestry equipment.
2. **Installment: Retail Installment Notes.** The minimum installment rate is 0%. The installment rate cannot be increased from the program rate; dealer rate and payment add-ons are not allowed.
3. **Installment: Buy-Down Notes.** Dealers may elect to buy down the program rates. In all cases the dealer buy-down cost will be charged to the dealer in addition to the applicable dealer program cost. The dealer program cost and the dealer buy-down cost will appear as separate charges on your John Deere Financial note acceptance letter. Both amounts will be deducted from the dealer note credit.
4. **Lease: Lease Charge.** The lease charge may be reduced by buying down from program rates, contact your TFM for assistance. All buy down costs will be charged to the Dealer in addition to any applicable dealer program costs. The minimum program lease charge is 0%. The lease charge cannot be increased from the program rate; dealer rate and payment add-ons are not allowed.
5. **Lease: Standard Advanced Payment.** The standard advanced payment is one payment plus a security deposit of 2% of the amount leased and is subject to credit approval.
6. **Lease: Excess Use.** Please refer to the C&F Excess Use Chart for the amount that will be assessed for each machine hour beyond the stated annual usage hours in the lease agreement.
7. **Installment and Lease: Fees.** There is a \$450 processing fee on all new installment notes and leases.
8. **Installment and Lease: Deadlines.** Machines must be settled in the JDSET system on or before program end date. Installment notes for all eligible units must be received in the offices of John Deere Financial, Johnston, Iowa within two weeks of the program end date.
9. **Installment and Lease: Payment Frequency.** Program options assume equal monthly payments with up to 3 skips per year. Other payment terms such as annual or balloon payments, intermittent term payments and fluctuating payments may require an additional dealer charge. Balloon payments using the 0% participation line financing option with a maximum balloon of 20% will not incur an additional dealer charge.
10. **Installment and Lease: Program Eligible Technology:** The following qualify for the program rate when sold with program-eligible equipment:
 - Integrated SmartGrade, SmartGrade field kits, factory-installed machine control and IGC ready components, TimberMatic™ and TimberManager™ telematics hardware, service parts, and kits, Deere factory-ordered grade control, and payload scales. Topcon mmGPS or Topcon LPS for Deere SmartGrade™ graders. TopCon X-53x Grade Control systems sold with the following excavator models: 160, 180, 190, 245, 250, 300, 345, 380, and 470.
 - The same rates apply as the machine control system for up to one base station and one rover per machine.
 - Precision Construction and Precision Forestry Technology financed separately from equipment purchase must be financed on an installment note with a maximum term limit of 36 months.
11. **Installment and Lease: Non-Program Eligible Attachments & Technology.** For non-Deere attachments and non-eligible technology solutions use the following rules:

If the sum of the selling price of the non-program eligible security is:

 - 15% or less of the selling price of the program eligible security: use published program rates on the entire amount financed.
 - Over 15% of the program eligible security: Use the current Silver standard rate on the non-program eligible security and blend with the program rate on the selling price of the program eligible security. Non-Deere equipment is not eligible for Special Equity Add-On terms.
 - FE Only: Over 15-55% of the program eligible security, the program rate may be used with an additional 0.20% participation on the total amount financed.
 - The same rates apply as the machine control system for up to one base station and one rover per machine.
12. **Installment and Lease: Dealer Added Services.** Dealer added services (Ultimate Uptime, Preventative Maintenance Agreements, JDLink, extended warranty) can be financed in conjunction with the program as long as the service is less than 20% of the selling price of the program eligible security. If the service is greater than 20% of the selling price of the program eligible security, you may use the JDF No-Cost Program for the entire finance amount or blend the current Silver JDF Standard rate for the non-program eligible security.
13. **Installment and Lease: Maintenance Refund Agreement.** John Deere Financial will finance Preventative Maintenance Agreements (PMA) along with equipment retail and lease request. The PMA price will be used in the calculation of the loan to value unless the dealer signs a Maintenance Refund Agreement (MRA). The MRA states, that if the contract defaults during any time of the loan period, the dealer agrees to reimburse the unused portion of the PMA (on a straight-line basis). JDF would not expect to be reimbursed if the customer pays off the loan or trades in the equipment prior to the original maturity. In the case of a trade, the negotiation of the unused P.M.A would be between the customer and the dealer and in the event of an early pay-off the customer would still expect the dealer to perform to the PMA contract. The Credit Analyst approving the loan will determine whether a MRA is required.
14. **Installment and Lease: Program Protection.** Retail sold orders entered in COMAR with a signed purchase order before the end of the program will be protected. The purchase order must contain the following information: Customer name and address (must be the same name and address listed in COMAR order system and on the retail

note or lease), Order number, and Customer signature dated on or before the end of the program. Machines ordered after the end of the program will not be eligible. Stock orders not eligible. Non-Deere Equipment not eligible for program protection through a special equity add-on. **All units must have a contract written date and be settled within 60 days of the unit invoicing in order to receive the program protected rate.**

15. **Installment and Lease: Rental Purchase Option Protection.** Signed Rental Purchase Agreements containing clear evidence that a purchase option was quoted to the customer will have RPO Protection available for up to six months from the date the document was signed by that customer. If a customer wants to protect the rate and/or residual value (if applicable) an application must be submitted in Ceres at the time the RPO is signed. If the customer converts the unit(s) to purchase within 6 months of the date the document was signed, low rate incentive programs and residual values that were in effect at the time of the RPO signature and Ceres submission will be protected. The signed and dated Rental Purchase Agreement must be submitted along with the contract. The rental start date, the customer name, and the customer address listed on the Rental Purchase Agreement must match the information entered in JDSET and listed on the retail note or lease.
16. **Installment and Lease: Sales to Dealer Owned Rental Company.** Sales/transfers to John Deere dealer owned rental fleets are not eligible. A John Deere dealer owned rental fleet includes any rental company (or other business entity) that is owned, managed or controlled, in whole or in part, by a dealer or a person or business entity owning at least 10% of the dealership (collectively "Owner" or "Owners", or a family member of an Owner (including spouse, sibling, and children) and any rental company (or other business entity) in which an Owner or family member has an equity interest.
17. John Deere Financial reserves the right to change program terms and conditions without prior notice.
18. Contact your John Deere Financial Territory Finance Manager with any questions.

This information is proprietary and confidential to Deere & Company and is only approved to be used by its authorized dealers and distributors in facilitating customer sales. It cannot be disclosed to third parties in any form without Deere & Company's prior written consent.
